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24 March 2021

Ferro-Alloy Resources Limited ('the Company' or 'FAR')

Result of Placing

Further to yesterday's announcement, Nick Bridgen, Chief Executive Officer of FAR (the "**Selling Shareholder**") announces that, subject to completion, he has sold a total of 16,666,667 ordinary shares (the "**Placing Shares**") in the Company at a price of 30 pence per share (the "**Placing**"), raising aggregate gross proceeds of approximately £5 million. The Placing Shares have been placed with new and existing institutional shareholders.

Mr Bridgen sold 15,000,000 Placing Shares for his own account and 1,666,667 Placing Shares on behalf of Andrey Kuznetsov, Operations Director. This has been facilitated by way of a loan of the 1,666,667 shares from Mr Bridgen to Mr Kuznetsov, it expected that the loaned shares will be returned in due course once Mr Kuznetsov's shares are dematerialised into CREST.

The Placing was conducted through an accelerated bookbuild. Shore Capital Stockbrokers Limited ("**Shore Capital**") and VSA Capital Group Limited ("**VSA**") acted as Joint Bookrunners in connection with the Placing.

Following completion of the Placing, Nick Bridgen will hold 49,738,800 ordinary shares in the Company, representing approximately 14.5% of the Company's issued share capital*. Following completion of the Placing, Andrey Kuznetsov will hold 68,517,333 ordinary shares in the Company, representing approximately 20.0% of the Company's issued share capital*.

The balance of the shares held by Mr Bridgen and Mr Kuznetsov will be subject to a lock-up which ends 180 day after completion of the Placing (unless consent is granted by the Joint Bookrunners). Mr Bridgen and Mr Kuznetsov have also agreed to enter into a 12-month lock-up with Vision Blue Resources ("**VBR**"), which will commence on the completion of the Initial Investment by VBR as defined in the announcement by FAR dated 15 March 2021.

The trade date for the Placing will be 24 March 2021 and settlement is expected to occur on a T+2 basis on 26 March 2021, subject to the satisfaction or waiver of certain customary conditions.

Allocations in the Placing will be confirmed to places later today.

*Calculated on the basis of the 1,666,667 loaned shares having been returned to Mr Bridgen by Mr Kuznetsov.

For further information, please visit ferro-alloy.com, follow us on Twitter (@AlloyFerro), or contact:

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About Ferro Alloy Resources Limited:

The Company's operations are all located at the Balasausqandiq Deposit in Kyzylordinskaya Oblast in the South of Kazakhstan. Currently the Company has two main business activities:

- a) the high grade Balasausqandiq Vanadium Project (the "Balausa Project"); and
- b) an existing profitable vanadium concentrate processing operation (the "Existing Operation")

Balasausqandiq is a very large deposit, with vanadium as the principal product, together with numerous byproducts. Owing the nature of the ore, the capital and operating costs of development are very much lower than for other projects.

A reserve on the JORC 2012 basis has been estimated only for the first ore-body (of five) which amounts to 23 million tonnes, not including the small amounts of near-surface oxidised material which is in the Inferred resource category. In the system of reserve estimation used in Kazakhstan the reserves are estimated to be over 70m tonnes in ore-bodies 1 to 5 but this does not include the full depth of ore-bodies 2-5.

There is an existing concentrate processing operation at the site of the Balasausqandiq Deposit. The production facilities were originally created from a 15,000 tonnes per year pilot plant which was then adapted to treat low-grade concentrates and is now in the process of being expanded and further adapted to treat a wider variety of raw materials.

The Company has already completed the first steps of a development plan for the existing operation which is expected to result in annualised production capacity increasing gradually to around 1,500 tonnes of contained vanadium pentoxide. The development plan includes upgrades to infrastructure, an extension to the existing factory and the installation of equipment to increase the throughput and to add the facilities to convert AMV into vanadium pentoxide.

The strategy of the Company is to develop both the Existing Operation and the Project in parallel. Although they are located on the same site and use some of the same infrastructure, they are separate operations.

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No offer and sale of Placing Shares is or will be made in Canada, except to persons who are: (a) an "accredited investor" within the meaning of Section 1.1 of National Instrument 45-106 - Prospectus Exemptions ("**NI 45-106**") of the Canadian Securities Administrators or subsection 73.3(1) of the Securities Act (Ontario) (the "**OSA**"), as applicable, and is either purchasing the Placing Shares as principal for its own account, or is deemed to be purchasing the Placing Shares as principal for its own account in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (b) such person was not created or used solely to purchase or hold the Placing Shares as an accredited investor under NI 45-106; (c) a "permitted client" within the meaning of National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations ("**NI 31-103**") of the Canadian Securities Administrators; and (d) entitled

under applicable Canadian securities laws to purchase the Placing Shares without the benefit of a prospectus under such securities laws.

No prospectus or offering document has been or will be prepared in connection with the Placing. Any investment decision in connection with the Placing must be made on the basis of all publicly available information relating to Ferro-Alloy Resources Limited and Ferro-Alloy Resources Limited's shares. Such information has not been independently verified. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness.

In connection with the Placing, either of the Joint Bookrunners or any of their respective affiliates may take up a portion of the Placing Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell for its own accounts such Placing Shares and other securities of Ferro-Alloy Resources Limited or related investments in connection with the Placing or otherwise. Accordingly, references to the Placing Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by either of the Joint Bookrunners and any of their respective affiliates acting as investors for their own accounts. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in Ferro-Alloy Resources Limited or its shares.

Shore Capital and VSA are each authorised and regulated by the FCA. Each of the Joint Bookrunners is acting for the Selling Shareholder only in connection with the Placing and no one else, and will not be responsible to anyone other than the Selling Shareholder for providing the protections offered to clients of the Joint Bookrunners nor for providing advice in relation to the Placing Shares or the Placing, the contents of this announcement or any transaction, arrangement or other matter referred to in this announcement.

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